

AMENDED IN ASSEMBLY APRIL 13, 2011  
AMENDED IN ASSEMBLY MARCH 29, 2011  
AMENDED IN ASSEMBLY FEBRUARY 16, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 205**

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**Introduced by Assembly Member Hagman**  
**(Coauthors: Assembly Members Donnelly, Jeffries, Knight,**  
**Mansoor, Miller, and Wagner)**  
(Coauthor: Senator Harman)

January 27, 2011

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An act to add Section 17053.44 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 205, as amended, Hagman. Income taxes: credit: vehicle registration payment fees.

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would, for taxable years beginning on or after January 1, 2011, authorize a credit under the Personal Income Tax Law for qualified costs, as defined, paid by a taxpayer for specified ~~registration payment fees~~ *of fees charged by the Department of Motor Vehicles for* a qualified vehicle, as provided.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. This act shall be known and may be cited as the  
2     Vehicle Incentive Act.

3     SEC. 2. Section 17053.44 is added to the Revenue and Taxation  
4     Code, to read:

5     17053.44. (a) For each taxable year beginning on or after  
6     January 1, 2011, there shall be allowed as a credit against the “net  
7     tax,” as defined in Section 17039, an amount equal to the qualified  
8     costs paid by a taxpayer for a qualified vehicle.

9     (b) For purposes of this section:

10    (1) “Qualified costs” means the fees, paid by a taxpayer during  
11    the taxable year, assessed on ~~vehicles~~ *a vehicle* by the Department  
12    of Motor Vehicles as part of the vehicle registration process,  
13    including, but not limited to, the following:

14    (A) Any fee set forth in Article 2 (commencing with Section  
15    9250) of Chapter 6 of Division 3 of the Vehicle Code, including,  
16    but not limited to, the registration fee, the California Highway  
17    Patrol fee, and local county transportation fees.

18    (B) The vehicle license fee, as set forth in Sections 10751 and  
19    10752.2 of this code.

20    (C) The motorcycle safety fee, as set forth in Section 2935 of  
21    the Vehicle Code.

22    (D) The unladen weight fee, as set forth in Section 9400 of the  
23    Vehicle Code, and the weight fee, weight sticker fee, and cargo  
24    theft interdiction fee set forth in Section 9400.1 of the Vehicle  
25    Code.

26    (E) The smog abatement fee, as set forth in Sections 44060 and  
27    44060.5 of the Health and Safety Code.

28    (F) The personalized license plate fees, special interest license  
29    plate fees, and all other fees set forth in Sections 5000 to 5160,  
30    inclusive, of the Vehicle Code.

31    (G) The county fees imposed by Section 65089.20 of the  
32    Government Code.

33    (H) The air pollution control district fees imposed by Section  
34    40612 and 40701.5 of the Health and Safety Code.

35    (2) “Qualified vehicle” means a vehicle for which a taxpayer  
36    has paid qualified costs *prior to the purchase by the taxpayer of*  
37    *another vehicle, for which the taxpayer has also paid qualified*

1 *costs during the same calendar year; and the vehicle is either sold*  
2 *or traded in to purchase the other vehicle.*

3 (c) If the credit allowed by this section exceeds the “net tax,”  
4 the excess may be carried over to reduce the “net tax” in the  
5 following taxable year, and the two succeeding years, until the  
6 credit has been exhausted.

7 (d) The credit provided by this section shall be in lieu of any  
8 deduction under this part to which the taxpayer may otherwise be  
9 entitled.

10 SEC. 3. This act provides for a tax levy within the meaning of  
11 Article IV of the Constitution and shall go into immediate effect.